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EBD/85/264

October 22, 1985

To: Members of the Executive Board
From: The Secretary
Subject: Tonga - Representative Rate for the Pa'anga

It is not proposed to bring the attached memorandum to the agenda of the Executive Board for discussion unless an Executive Director so requests by noon on Friday, October 25, 1985. In the absence of such a request, the draft decision will be deemed approved by the Executive Board and it will be so recorded in the minutes of the next meeting thereafter.

Mr. Dhruba Gupta (ext. 7627) or Mrs. Al-Samarrie (ext. 7629) is available to answer technical or factual questions relating to this paper.

Att: (1)

Other Distribution:
Department Heads

INTERNATIONAL MONETARY FUND

Tonga - Representative Rate for the Pa'anga

Prepared by the Treasurer's Department

(In consultation with the Legal, Asian, and Exchange
and Trade Relations Departments)

Approved by David Williams

October 22, 1985

Tonga became a member of the Fund on September 13, 1985 with a quota equivalent to SDR 3,250,000. The currency of Tonga is the pa'anga (T\$) which is pegged to the Australian dollar at the rate of one Australian dollar equals one pa'anga, as described in the attachment.

Consultations have taken place with the authorities of Tonga concerning the determination by the Fund of a representative rate for the pa'anga in the domestic exchange market. As a result, it is considered that the representative rate for the pa'anga under Rule 0-2 (b) (ii) is the rate obtained on the basis of the fixed relationship between the pa'anga and the Australian dollar and the representative rate for the Australian dollar. It is understood that Tonga will immediately inform the Fund of any change in the representative rate.

In view of the foregoing, the following draft decision is proposed for adoption by the Executive Board:

The Fund finds, after consultation with the authorities of Tonga, that the representative rate under Rule 0-2 (b) (ii) for the pa'anga against the U.S. dollar is the rate obtained on the basis of the fixed relationship of the pa'anga to the Australian dollar and the representative rate for the Australian dollar. Tonga will immediately inform the Fund of any change in the representative rate.

Attachment

MINISTRY OF FINANCE
VUNA ROAD,
NUKU'ALOFA
TONGA

THE REPRESENTATIVE RATE OF EXCHANGE
FOR THE CURRENCY OF TONGA

Reference consultation for determining a representative rate for the currency of Tonga.

1. The currency of Tonga is the pa'anga (T\$) which is pegged to the Australian dollar at the rate of one Australian dollar equals one pa'anga. At present the rates of exchange are \$A1 buying and \$A1 selling in spot exchange transactions in the domestic exchange market.
2. This is to propose that the Fund find the parity with the Australian dollar to be the representative rate for the pa'anga under Rule 0-2(b) of the Fund's Rules and Regulations.
3. We will inform the Fund of any change in the representative rate for the pa'anga described above.

/s/

J.C. Cocker
Minister of Finance

Nuku'alofa, Tonga
10 September, 1985

Received in Fund on September 13, 1985